



September 22, 2015

United States Department of Labor  
200 Constitution Ave. NW  
Washington, DC 20210

### **DEPARTMENT OF LABOR PROPOSED RULE**

The Louisiana State Farm Agents and Associates PAC (LaSFAA PAC) is hard at work protecting our industry from harm and promoting the important role our industry plays in our economy. We are aware of the Department of Labor's proposed ruling to expand the definition of fiduciary under the Employee Retirement Income Security Act to include many activities that traditionally would not be considered fiduciary in nature. The LaSFAA PAC is strongly against this proposed ruling. In State Farm's 93 years there have been very few government actions or regulatory rules that could have a more adverse impact on the ability of State Farm Mutual to help and support our customers. We believe the proposed rule could harm low- and moderate-income consumers and challenge the way in which State Farm offers financial products.

This proposal concerns the PAC and State Farm because:

- The proposed rule would harm low- and moderate-income consumers by causing some providers to exit the small investor market and limiting consumer choices for retirement investments and information in an already underserved market.
- The proposed rule would harm small business owners – including State Farm agents and small business customers – by imposing added costs, administrative burdens, and placing excessive and unnecessary risk upon them.
- The proposed rule would impose a new set of complex and conflicting requirements on services that are already subject to extensive regulation under securities, banking and insurance consumer protection laws.
- A signed contract between State Farm, the agent and the customer would be required before beginning any discussion with the customer about his or her retirement needs.
- This proposal essentially defers interpretation of the new standard to courts of law, making it foreseeable that there will be different interpretations of the best interest standard in each jurisdiction and creating confusion. This provision will lead to frivolous litigation.
- State Farm customers are served well by the cost-effective proprietary, commission-based products State Farm has to offer. The proposal, however, places significant restrictions on the use of commission-based compensation models and disfavors proprietary-only product offerings. In this respect, the proposal seriously challenges State Farm's business model.

The Department of Labor's cost-benefit analysis severely underestimates the cost of compliance implementation efforts and does not provide sufficient time for implementing a workable transition.

Thank you for giving this letter, which expresses the LaSFAA PAC's views regarding the proposed rule, your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Wiggins", followed by a horizontal line.

Randy Wiggins  
LASFAA Chairman